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SUPPORT BULLETIN

FOR INFORMATION OF HEADQUARTERS
AND FIELD PERSONNEL

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PURPOSE

The Support Bulletin, published periodically, is designed to keep headquarters and field personnel informed on administrative, personnel, and support matters. The Support Bulletin is not directive in nature but rather attempts to present items which, in general, are of interest to all personnel and, in particular, of interest to those employees occupying various support positions. Suggestions and constructive criticism from both headquarters and field personnel are encouraged.

NOTE: — This bulletin is *for information only*. It does not constitute authority for action and is in no way a substitute for regulatory material.

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EFFICIENCY AND TRAINING

Field personnel will be interested in the following remarks made recently by the Deputy Director to members of the Office of Training at headquarters:

"I'd like to talk briefly about an all-year-round theme: that of efficiency. Every year in support of the Organization program, the Director and I — and others — appear before the Bureau of the Budget and the congressional committees. It's essential that we go before these people knowing, without reservation in our hearts, that resources in the Organization are being used with a maximum of efficiency. There are formal reporting mechanisms in existence which aim at giving us this assurance, but these formal mechanisms never give the whole story. There is always the danger that management facts may be different from worker facts, and the difference may be extremely important.

"So today I am appealing to the informal; that is, to the spirits and attitudes of all Organization employees to accept, along with the senior executives, the responsibility for identifying, digging out, and eliminating inefficiency, and thus insuring that our personnel is in full gear. This task can be a keg of worms, but if everyone goes at it seriously, the need for more formal and undesirably rigid approaches diminishes.

"This is one of our greatest challenges. Our Organization is doing very well generally. This past year we have absorbed many chores; in fact, over 400 man-years of work without increases in personnel strength. We are producing a better product and responding with increased competence on every front. While we can't, because of the nature of our business, blow our horn loudly over our accomplishments, each of us can personally be proud of them. But let's not rest on our laurels. Let's not give way to that trait of human nature to be eternally on the lookout for a place to park. If water rests, it stagnates; if we rest, we rust. So it is the job of all of us to put up 'No Parking' signs for ourselves and for our colleagues. Inaction

and inefficiency must go; flexibility and competence must expand. Our motto should be 'No Parking Here.'

"Now what can the Office of Training do about this? Your courses provide the opportunity for Organization employees to become more flexible, more capable, and, we hope, more efficient. But there is always the question: Are we training all the right people?

"Last year, I asked you to come up with new and positive ways of unleashing the creative energies of our people and of increasing our overall competence. This year, I'm going to remind you of an old saw which may offer further challenge. You have all heard the saying 'The operation was a success, but the patient died.' Most of our training has been efficient, but is it doing the patient as much good as it should? Our employees have learned, but have they been able to convert their learning to on-the-job situations or does their job performance remain substantially as it was before their training? Let's look into this in the coming year. If the answer is yes to this latter question, then we may have inefficient use of our resources. If our training courses are practical and well-developed, application will normally follow, wanting only for the opportunity.

"However, I fully support the Organization's need to train people in subjects which today may not be immediately applied. This is necessary if we are to grow. It is particularly true of language training where lead time is a key factor. But wherever possible, let's not allow our efforts to be frustrated. Of course, in no event should the tail wag the dog. But, assuming that the training is based on sound requirements, let all of us be sure that there are no practices or organization inhibitions which restrict or block application of new skills.

"Take your places in identifying and cutting out inefficiency and deadwood. Spread the word. Continue to do a good job of training in order to make people want to take your courses. Continue to look for new ways to get employees into your hands who should

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have training. The task will be tougher this coming year than in years past. We shall all be competing more than ever with tight ceilings, heavy workloads, and priorities, but we must all get into the act of doing our share to move the Organization and its products forward. So let's make the operation a success and have the patient live.

"Some of you may recall the story about the erection many years ago of the statue of General Robert E. Lee in Richmond. Someone made the comment that it would take a lot of horses to pull all of those tons of metal all the way uptown, whereupon someone replied, 'Horses! Don't let's have horses pull General Lee. Let's pull him ourselves!' The idea caught like wildfire and swept throughout the city. Pulling on that cable, on the prescribed day, were rich men and poor men, lean men and fat men, white men, black men, school girls, and even society matrons, tripping about on their spool heels. Amid the laughter and tears, the songs and cheers, they drew the General's statue in triumph to the place where it sits today, looking out toward his beloved Southland. As soon as it reached its destination, every person wanted a piece of that rope; and for days afterwards, he would pull a small piece of hemp from his pocket, hold it up, and with pride say to his friends, 'I had hold of the rope. Did you?'"

"If we are to accomplish our complex mission, we need ever-increasing skill and competence; this fact spells 'training' in capital letters. Each of us should be able to say 'I had a hold on the rope.'"

MANAGEMENT TOOLS

DATA PROCESSING — INTRODUCTION TO AUTOMATION

Some call it I.D.P. (Integrated Data Processing), some call it E.D.P. (Electronic Data Processing), and still others call it A.D.P. (Automatic Data Processing). In all cases

Data Processing is the function of recording, moving, storing, and using information and has been going on since man first learned to scratch pictures in rock. With the increasingly complicated socio-economic developments of this era, the problems of Data Processing have become incredibly involved and ~~hand~~-processing of data is, in most cases, no longer economically sound. It simply costs too much and the results are rarely available for management use on a timely basis.

Everyone is familiar, to some degree at least, with the tremendous strides in the production and distribution of all kinds of products of industry. The management of records or paperwork has admittedly not kept pace with technological developments in other fields, and this is as true in government as it is in private industry. Machines are commonly used to produce things rapidly, to transmit information quickly over long distances, and to distribute products on a timely basis. The next step is logical and inevitable. Machines must be used to process data if production and distribution of things is not to bog down in a sea of manually managed paperwork.

Although, in its present context, machine management of data is a relatively new field, it is based on principles of automatic and semiautomatic machine operations which people have accepted for years: the typewriter, the adding machine, thermostats or the automatic setting of off-on electrical switches, the player piano, and wire communications machines. In each of these heretofore different fields of relative automation, people have provided the only link between one field and another. Today, it is possible to mechanically or electrically link machines in these various fields and use them automatically or semiautomatically to do, with minimum human intervention, one integrated paperwork-processing job. Obviously, great strides have been made in the development of such machines to permit them to be so used, but there is nothing really mys-

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terious about them. People are still needed to supervise the operation of these machines and a whole new industry provides employment to more than compensate for the gradual decrease in office personnel which increased use of machine-processing of data will bring.

Even though the field is a relatively new one, there are all sorts of machines and systems for Data Processing which have been developed by the various manufacturers in collaboration with actual or potential customers. Some kinds of paperwork jobs lend themselves to machines more easily than others, and these are the ones which are usually integrated into a machine system first. In all cases, however, much study is required before a sound decision can be made on:

1. Which paperwork procedures are logical ones for machine application in a given industry or Government agency?
2. Which machine or machines will do the job most effectively?
3. What provisions, if any, should be made now for future expansion?
4. Will the savings be substantial enough to warrant the kind of investment required. (These things are expensive.)

There are a number of machine applications to paperwork now being used in both industry and government; in some areas of paperwork, the savings are already apparent, in others there are still obstacles to be overcome.

It was stated initially that some people call machine processing I.D.P., some call it E.D.P., and some call it A.D.P. The basic objectives of all are the same and they have many procedures in common; however, they are somewhat different. *Electronic Data Processing* always involves electronic manipulation of information; *Automatic Data Processing* may or may not involve electronic equipment; usually A.D.P. is concerned with various electrically operated *mechanical* machines; *Integrated Data Processing* describes the integration of various data into one sys-

tem which may employ electronic, electric, or electro-mechanical machines, or a judicious combination of all three. In all cases, of course, the human element remains of significant importance. People are what make machines work.

Subsequent articles will deal with various aspects of I.D.P. in more detail and will include brief, simple descriptions of the major types of available equipment and their most efficient uses.

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DOCUMENT CONTROL

The next time you receive a piece of Organization mail, consider for a moment the number of control processes it went through to reach you. Then ask yourself if the document control measures in your office are efficient, and is each one — the receipting, numbering, logging, reviewing, abstracting, dating, time-stamping, coding, sorting, or cover-sheeting — really necessary for every piece handled?

These control measures, of course, have their place in the Organization. But when their overuse or complexity unnecessarily increases clerical costs, or delays decisions and actions vital to both headquarters and the field, a close look into the causes of the trouble is needed. For example, a recent Governmentwide study pointed up that a problem generally exists if:

1. An excessive amount of time (from two to four hours depending on the size and physical layout of the component) elapses between the receipt of a document in a registry and its delivery to the action desk.
2. All initial control operations (including routing) for one document take more than five minutes.
3. More than 15 percent of the total incoming documents receive control processing in addition to that required for security purposes.

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4. A routing slip or control form is placed on virtually every incoming or outgoing document.

When these danger signs show up it's a safe bet that document control measures (exclusive of those required for security control) exceed those really needed to answer these questions about documents that call for action or decision:

1. Has a particular document been received, and if so, to whom and when was it sent for action?

2. Has a particular document been released, and if so, what action was taken and to whom and when was it sent?

These questions can be quickly and simply answered by three forms available in headquarters or the field. These are: Form 779, Locator and Control Record (headquarters and field); Form 238, Document Control (headquarters only); Form 240, Courier Receipt and Log Record (headquarters only). All three are multipart forms designed to provide at one writing enough copies to meet several needs at different control points. Here's how these forms work:

1. Forms 779 and 238 are six-part sets printed on NCR (No Carbon Required) paper. The six parts provide copies for logging and cross-referencing at the registry level and at subordinate points. The 3" x 5" slips not only eliminate the need for log books, but also provide a ready communications medium for notifying a central registry of the disposition of a document at a subordinate point. The file locator reference to the document can also be shown on Form 238.

2. Form 240 is a four-part carbon interleaved set. At one writing, copies of the form are made for addressing, receipting, and logging of classified material transmitted within headquarters through the courier system. The form meets all security requirements for logging material classified up through Secret.

3. Form 240 is also designed for use with the new headquarters Chain Envelope. This envelope has been approved for transmitting within headquarters material classified up through Secret. It may also be used as the outer wrapper for double-wrapped material, except that which is classified Top Secret. In addition to meeting these security requirements, the new envelopes offer these advantages:

Save time — You can address an envelope and attach a receipt in one operation. Simply insert the receipt in the window pocket on the face of the envelope. If a courier receipt is not needed, insert a 3" x 5" card or slip of paper and write in the address.

Save money — These envelopes may be used repeatedly.

Save safe space — Safe space will not be needed for used envelopes since names and addresses will not appear on them.

The Organization, vitally concerned about the effect of document controls on the timeliness of decisions reaching the field, has included the improvement of these controls in the objectives of its Records Management Program. Guidance may be obtained from your Records Officer, and in headquarters also from the Records Management Staff.

YOUR SUGGESTION AWARDS PROGRAM

During the past five months the Organization has adopted 93 employee suggestions for which the Suggestion Awards Committee has paid awards totaling \$2,355. The individual awards ranged from Letters of Appreciation to \$600. The suggestions described below represent calculated net tangible savings to this Organization of over \$22,888 for the first full year of operation, plus many intangible benefits. In addition to the cash awards, each person received a formal Letter of Commendation, a copy of which went into his Official Personnel Folder.

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One suggester, who consistently sends in good ideas, earned \$145 for his proposal to use a cheaper quality of paper for raw reports, thus achieving tangible savings of \$4,620.

Another person proposed a solution to a technical communications problem involving the NEMS 966 Video Patch Cord. Within a six-months period, approximately 50 percent of the Model 966 cords had failed, primarily because of the small area provided for a hand-hold on the connector when effecting a disconnect. The suggester fabricated a better hand-hold. Although the proposed modification was not considered practical for general use the suggestion caused the manufacturer to modify the design, and to agree to supply to the Organization, free of charge, modification kits for each of the connectors purchased. The suggester earned a cash award of \$50 for his contribution.

One employee modified the photographic light tables presently used by photo interpreters in the inspection, editing, and evaluation of film transparencies. When a film transparency is moved across a rough or hard surface, long horizontal scratches are made in the sensitive film emulsion, resulting in a marked decrease in the subsequent utility of the film. In attacking this problem, the suggester designed and built a Mylar conveyer belt to rotate around idle rollers. Thus, the film rides on the belt and never comes in contact with any other object. This new method of spooling film has reduced the wear and tear of transparencies by 80 percent. The suggester has received \$600 so far, and credit has also gone to his two supervisors who were active in helping him design and build this device. His patent rights have been established through the Organization's Patent Board and that Board has also applied to the United States Patent Office for a patent for him. It is believed that when the device is marketed, additional awards will be forthcoming through more extended use by other Government agencies and by commercial firms.

A significant new technique for microfilming and photostating books is the use of a book-holder with foam rubber padding. In this procedure it is necessary to maintain the copy plane absolutely parallel to the film plane. The foam rubber serves as a balancing cushion and automatically brings the tops of the two sections of an open book to the same plane at all times. The person who proposed this received an award of \$150.

One analyst showed a great deal of ingenuity in adapting the use of a 20-power stereoscopic microscope to analyze minute objects on aerial photographs. There was on the market no stereo-microscope adapted for the photographic stereo viewing. The suggester realized the need for this type of instrument was very pressing, and his effort made possible the use of the instrument about 18 months before it was produced commercially. The Committee voted a \$50 award for this idea.

One person proposed that the light tables in darkrooms be equipped with a second light (a red safelight) for the inspection of negatives, which facilitated large-quantity productions.

Another suggester earned an award of \$40 for his proposal to use a cheaper commercial product in printing operations as a fountain etch and as a plate etch. This idea caught fire and additional awards may be forthcoming from its use in other Government agencies.

Another group of suggestions helped to cut out unnecessary administrative and clerical red tape.

The proposal for the discontinuance of date-stamping on certain newly created index cards earned an award of \$30 for the suggester who had observed that this practice had outgrown its usefulness. The savings realized are estimated to be \$330 annual rental for the Pitney-Bowes Tickometer and approximately \$200 a year in salary for the Tickometer operator.

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A streamlining of procedures which effected simultaneous distribution of requests for security approvals for one category of personnel has cut down the time lag by several weeks and merited an award of \$50.

A short-cut in desensitizing documents bearing a certain communications indicator was devised. The suggester proposed that extra copies of abstracts be furnished to facilitate the desensitizing procedure.

In the Cable Secretariat, where increasing files of 3" x 5" reference cards posed serious space and maintenance problems, a proposal that the information be transferred to Flexoline Strips earned the suggester \$100.

Our continuing interest in improving security prompted other award-winning suggestions.

Three suggesters proposed that personnel going overseas be provided with a central storage place for the retention of vital personal unclassified papers such as wills, marriage certificates, mortgages, and insurance policies; and classified and unclassified papers of a personal or quasi-personal nature which the employee will need to re-establish himself at headquarters. When this idea was adopted the Committee voted an award of \$75 to be shared equally by the three employees.

These practical ideas contribute to the efficiency of our operations and it is hoped will stimulate other worthwhile suggestions from our readers.

Please remember to advise the Executive Secretary, Suggestion Awards Committee, if any of the above suggestions are usable in your office.

LENGTH OF OVERSEAS TOURS OF DUTY

It is increasingly desirable to standardize as much as possible the length of overseas tours of duty of the various Career Services.

Several of the Career Services have in the past adhered rather strictly to a two-year tour of duty in order to insure that the maximum number of key people received the benefits of overseas service. This objective has been largely accomplished. In consideration of the fact that at least some weeks are required after an employee reaches his overseas post before he is able to assume full responsibilities and that his last few weeks before departure for the States are used in part to phase out, a two-year tour in many cases is not economical. It is believed that in most instances the best interests of the Organization would be served by having employees either extend their tours for a third year or come to the States on leave following overseas assignment and return to their posts for a second two-year tour of duty. However, it is basically sound to make initial assignments for a two-year tour of duty in order to provide flexibility to both the Organization and the employee if for any reason at all it appears desirable to limit the tour of duty to two years.

Except for posts where, for hardship or other special reasons, a tour shorter than two years has been adopted, personnel will continue to be assigned to overseas posts initially for two-year tours of duty. Sometime after the completion of one year and before the completion of 15 months of overseas duty a decision should be made by the Head of the Career Service whether:

1. The employee returns home on a permanent-change-of-station basis at the end of the two-year tour,
2. Extends his tour for a third year, or
3. Takes home leave and returns to his post for a second two-year tour of duty.

The Chief of Station should forward to headquarters his recommendation concerning the length of an employee's tour, taking into consideration the desires and comments of the employee and his supervisor. The appropriate Career Board will make its decision based on the need or desirability of the serv-

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ices of the employee in another assignment or the need to assign another employee to the overseas position in question. In all cases, the Career Board will notify the employee through his Chief of Station of the decision concerning the length of his tour.

PRIVATE PROPERTY LOSS CLAIMS

In two recent decisions, the Headquarters Board of Survey found it necessary to recommend that the approving authority disapprove an employee's claim for reimbursement for loss of his personal and household effects by fire. The losses suffered by these employees were more severe because of the lack of insurance coverage. The circumstances of these disapproved claims and Organization policy for honoring claims are summarized here to remind Organization personnel of the necessity for making appropriate insurance arrangements to protect their private property.

As a general rule, civilian departments and organizations have no statutory authority to pay claims for damage or loss of private property. Insurance coverage is the personal responsibility of the individual employees, at their personal expense, if they desire protection against loss. Accordingly, employees of this Organization, including those under 25X1C, should insure their privately owned property against the risk of loss or damage while in transit, storage, quarters, or other authorized places and situations, if they do not wish to personally accept that risk. The Organization does not provide insurance for such purposes and the fact that the Organization provides services and arrangements, and sometimes accepts custody, for storage, etc., does not mean that the Organization accepts total responsibility for the property.

In accordance with the provisions of R and 25X1A, special claims may be submitted to the Organization on account of the loss, damage, destruction, capture, or abandonment of privately owned property, which occurred without negligence on the part of the owner. These claims will be honored when the reviewing authorities determine that operational circumstances or security factors directly related to Organization service justify reimbursement from confidential funds. In the absence of insurance coverage, a claim will not be honored unless (1) security, cover, or extenuating circumstances precluded proper insurance coverage, or (2) negligence on the part of the Organization is determined to be the principal cause of loss, or (3) the loss is a direct result of performance of operational duty, sensitive circumstances, or other extraordinary reasons which merit special consideration. If the property was insured, a claim will be honored by the Organization if security or cover considerations preclude reimbursement by the insurer or by another liable entity such as commercial carrier or storage 25X1C

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[REDACTED]

In the first of the two disapproved claims referred to above, an employee was transferred PSC overseas and the Organization provided services to the employee in arranging for pick-up and storage of his property by a commercial storage company, at Organization expense. The employee stated that he failed to insure because he was not cognizant of that personal responsibility. He mistakenly assumed that the Organization was accepting total responsibility for the property and would do whatever was necessary in regard to insurance. Some time later, the storage contractor's warehouse was destroyed by fire. The contractor denied negligence and disclaimed responsibility for the loss of the employee's property (worth several thousand dollars) because the fire was probably attributable to a boy arsonist. The original claim and appeal were denied by the Organization because (1) there was no Organization responsibility for the property or loss thereof, and (2) the claimant was not precluded by security or cover considerations from seeking relief by contesting the contractor's denial through legal action, or by claiming against a private insurer, and (3) the claimant failed to carry insurance.

In the other disapproved claim, the Organization reimbursed the employee for rental of a private local residence which he leased near his overseas post, and the Organization provided heaters for his benefit. A fire destroyed the residence and all of the employee's clothing and household effects valued at several thousand dollars. The exact cause of the fire was not definitely established, but the local fire department reported that the most likely cause was possibly a defective heater. Although the Claims Board was not unmindful of the magnitude and circumstances of this loss, it was necessary to disapprove the claim because:

1. The Organization had no custodial responsibility for the property and no maintenance responsibility for the heaters or quarters, even though the premises were Government quarters provided under authority of FR 45-1050. There was no evidence to indicate that the heaters were defective when issued.

2. The claimant failed to carry insurance. The circumstances of his cover would not have precluded his making a claim against a private insurer.

3. The loss was not related to security or cover factors of Organization service.

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IT'S INCOME TAX TIME

Reporting and paying of income taxes are the personal responsibility of the individual employee. We have a direct concern, however, in an employee's failure to meet his legal obligations promptly and in a manner compatible with his cover status, because of the security and cover hazards involved. Employees overseas especially should familiarize themselves with the requirements of States or other taxing jurisdictions to which they may have obligations.

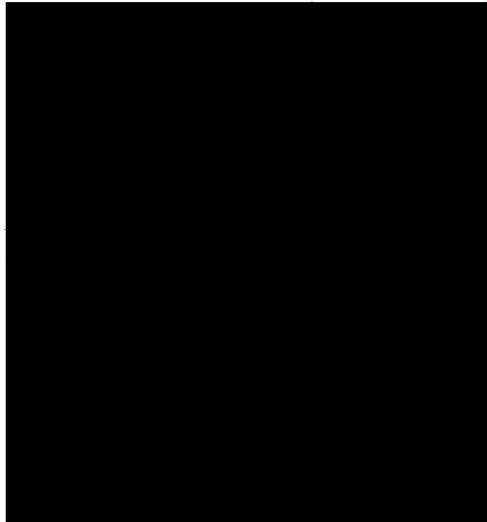
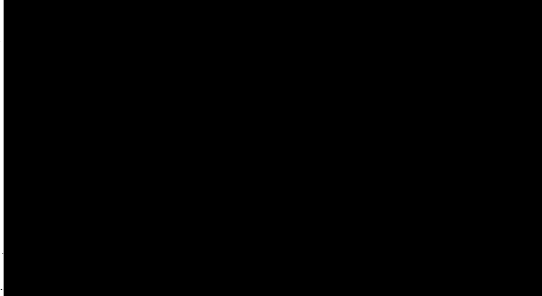
Federal tax returns and estimated returns are due 15 April 1959. U.S. citizens living overseas on 15 April have until 15 June 1959 to file, provided they pay six percent interest on the tax due from 15 April until the tax is paid. The due dates and requirements of income tax returns vary for States and other taxing jurisdictions and each employee should get this information through his administrative officer or chief of installation, through the local embassy, or if necessary by direct correspondence with a particular taxing jurisdiction.

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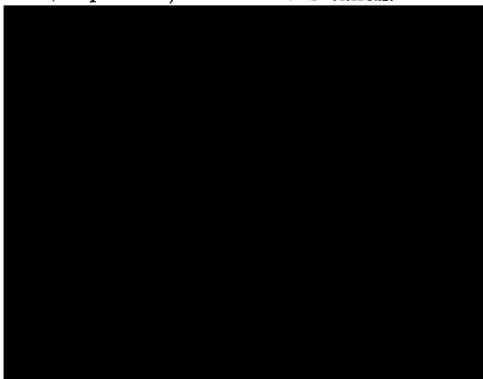
Some new provisions of Federal tax law of importance to employees are:

1. The technical requirement to include as income amounts received as reimbursements for travel expenses and to deduct therefrom actual expenses does not apply to employees receiving per diem not over \$15 per day or mileage not exceeding 12½ cents per mile for travel within the continental U.S. Also, the requirement does not apply to travel outside the continental U.S. if the per diem is not more than 125 percent of the per diem rates specified in the Standardized Government Travel Regulations, Appendix I, revised, and also stated in R and [REDACTED]

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2. The simplified Form 1040A may now be used if the gross income is less than \$10,000, is reported on Forms W-2 with no more than \$200 of other wages, interest, and dividends, and the standard (10 percent) deduction is taken.

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Notice [REDACTED] dated 16 January 1959, and Book Dispatch No. 1071, dated 30 January 1959, provide additional information. Instructions for filing [REDACTED] tax returns are contained [REDACTED] dated 12 March 1955, and [REDACTED] dated 26 November 1954, and change 1 thereto dated 18 April 1955.

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LIBERALIZED INCENTIVE AWARDS PROPOSED

Senator Hubert Humphrey, speaking recently at the eleventh annual Arthur S. Flemming Awards Luncheon, expressed the view that the restrictions on the Government's Employee Incentive Program are too tight and need to be liberalized. The Senator said that the program is a step in the right direction to encourage initiative and achievement in Government, but that the number of awards and their cash value should be greater.

He declared: "We ought to be more generous and more liberal with the relatively small amounts involved, for it is clear that a modest investment in the incentive awards

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system has encouraged a measurably greater efficiency and economy in Government. It's a good investment."

Senator Humphrey also proposed using the United States' "soft currency" and counterpart funds in foreign countries we are aiding to provide sabbatical leaves of six months to a year in foreign lands for outstanding Federal career employees.

He noted that these funds, which are credited to the United States but are seldom used by us, can be put to great benefit by giving outstanding Government careerists a chance to expand their careers by going overseas.

Federal careerists could study at universities of other countries, or study at first hand operations in foreign countries comparable to those that they are engaged in at home, or consult with civil servants and officials of other countries on common problems, Senator Humphrey declared. This program would not involve any extra Federal expenditures, it was emphasized.

As one of the top members of the Senate Foreign Relations Committee, Senator Humphrey is in a good position to start action on the soft currency and counterpart funds idea for Federal employees.

CHANGES IN DIFFERENTIALS

The Organization frequently receives communications from overseas personnel, some

25X10 [REDACTED] differential rates. Communications have at times contained statements that such reductions represent a "breach of faith" inasmuch as the individual accepted employment at a particular post for a definite amount of total compensation.

In the course of preparation and processing, personnel who accept foreign assignments are advised of the nature of post differentials and

of all allowances and the basis for determining the amounts, and are further informed of the important fact that differentials and allowances are subject to periodic revision. Failure to remember this may be the reason for taking exception to later changes in allowances. Accordingly, personnel are again reminded that:

1. The differential is considered to be a bonus in the form of additional compensation for service at a less desirable post, and as such it is subject to income tax.
2. Differentials are calculated upon criteria prescribed by statutes and Executive order, which provide that a differential may be authorized when, and only when, living conditions at a post differ substantially from living conditions in our country; particularly when a post imposes extraordinarily difficult living conditions, excessive physical hardships, or notably unhealthful conditions.
3. All foreign assignments are expected to involve some difference in living conditions in comparison with those in our country. Only when this difference develops hardship to a predetermined minimum is a 10 percent differential warranted. Successively greater degrees of difference result in differentials of 15 percent, 20 percent, and 25 percent.
4. Differentials are a recruitment and retention incentive to personnel who are willing to accept assignments involving unusual hardships. Nevertheless, reviews must be undertaken periodically to determine the need for continuance. By order, a review is required at least annually of the places designated, the rates fixed, and the regulations prescribed, to insure that the payment of additional compensation continues only while conditions justify this payment and that the amounts do not in any instance exceed what is justified.
5. Differential rates are accordingly revised when periodic reviews disclose changes in living conditions. Reviews may dis-

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close a gradual improvement at a post, yet the current degree of improvement may not be sufficient to warrant an immediate decrease in the differential. However, an accumulation of gradual improvements noted by succeeding reviews may be the basis for a decrease at a later date. Such a decrease could become effective while an individual is en route to the post or shortly after arrival.

It is believed a better understanding of the purpose and basis for determining foreign post differentials will benefit all concerned.

TIMELY PERSONNEL INFORMATION

Remember the poem, "For want of a nail, a shoe was lost; For want of a shoe, a horse was lost; etc."? Well, for want of a timely notification document in the hands of the payroll office, sometimes an individual's pay gets "lost" and no salary is paid, an erroneous payment results, or a special payroll must be processed on his behalf.

Payroll offices can effect pay changes only upon receipt of proper notifications, whether official personnel notifications or notices affecting only current allowances or allotments. The correctness and timeliness of notifications from both field station and headquarters administrative personnel are important. Prompt notifications to headquarters by field personnel are especially important regarding separations in the field, changes in status affecting allowances computed at headquarters, changes in field allotments, changes by other organizations in the pay status of [REDACTED] (promotions, periodic step-increases, and LWOP), clearance papers on personnel departing the field, etc.

At headquarters and in the field, personnel officers and administrative officers responsible for initiating requests for personnel actions should anticipate, whenever possible, the effective dates required by such requests

and allow time for their processing. Especially important at headquarters are personnel actions effecting reassignments between funds. Individuals paid from vouchered funds cannot [REDACTED] begin PCS travel to an overseas station without first being reassigned to confidential funds. Resignation, extended LWOP, and maternity leave also require as much notice as possible to the payroll offices in order to avoid erroneous payments requiring adjustment. After receipt of a request for a personnel action in the Office of Personnel, time is required to prepare, process, authenticate, and distribute the personnel notification form to the payroll offices affected; hence the need to anticipate the effective date.

The employee whose pay is affected will especially appreciate the wholehearted assistance of all administrative officials. Cooperation will provide the "nails" and "shoes," to help prevent the individual's pay from getting "lost."

CUSTOMS REQUIREMENTS FOR IMPORTATION OF AUTOMOBILES PURCHASED ABROAD

Under Public Law 126, Government employees or military personnel returning home, under permanent-change-of-station orders, may be allowed free entry of their automobiles, provided they have served overseas for at least 140 days of continuous duty assignment.

An automobile purchased abroad and sent home before Government orders are issued or a car purchased but not in the employee's possession will not be entitled to free entry under Public Law 126.

The word "possession," as used by Bureau of Customs, means either physical possession or a right to immediate possession at the point of purchase. This would usually mean the presence of the automobile in the show-

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room or warehouse of the seller within the city where the purchase was made, so that the buyer could take possession if he so desired, rather than having the dealer ship the automobile.

Several Organization employees, ordering automobiles from points in the Far East for shipment from Europe, have been required to pay import duty on the automobiles. This duty was assessed because the employee did not have possession of the automobile nor the right to immediate possession at the place of purchase.

To prevent financial hardship, employees who intend to purchase automobiles abroad should acquaint themselves with customs requirements before purchase and shipment. Information on specific problems may be obtained direct from the Bureau of Customs, Washington, D. C., the nearest United States Consular Office, or one of the offices listed below:

The Treasury Attache, American Embassy,
London, England
United States Treasury Representatives
(Customs) at
American Consulate General, Frankfurt/
Main, Germany
American Consulate General, Milan, Italy
American Embassy, Paris, France

CREDIT UNION

The Officers and Directors of the Northwest Federal Credit Union recommended at its annual meeting on 20 January 1959 the payment of a 4.5 percent dividend for the year 1958, which was approved by the membership. This is especially gratifying since this dividend yield is one of the highest paid by any comparable Federal Credit Union in the entire Washington area.

Highlighting the activities of the year were the following:

1. The commendation received from the Federal Credit Union Examiners for the excellent management which largely contributed to the high earnings despite the low interest rates charged on loans to our employees. Our rates are lower than the prevailing rates of comparable Washington area credit unions;

2. The excellent rate realized by the NWFCU on loans made to other credit unions and to the large portfolio of federally insured savings and loan associations from coast to coast;

3. The extremely low delinquency rate (2.06 percent), which is one of the very lowest in this area, the norm being a 3.5 percent to 6 percent delinquency;

4. Finally, a new and important milestone in passing the \$5,000,000 mark in assets. This growth is history-making since we have now become one of the 15 largest out of 9,000 federally chartered credit unions in the United States. In reaching this goal, our Credit Union's assets have quadrupled since 1 January 1953.

SALARY RETENTION INCIDENT TO REDUCTION IN GRADE

During 1958 the Congress enacted a new Salary Retention Act under which personnel who are reduced in grade may be permitted to hold for two years their full salaries earned just prior to demotion, unless the reductions exceed three grades. When a demotion exceeds three grades the amount of the salary to be retained is governed by a formula contained in the law. These salary retention provisions are not applicable when demotions are

1. Due to personal cause,
2. At the employee's request, or
3. Effected as a result of force reduction caused by lack of funds or curtailment of work.

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The Act further provides that the new salary retention benefits may be granted only to personnel who have served for two continuous years immediately prior to demotion in the same department or agency and in the same or higher grades, and whose performance during the period of two years was satisfactory or better than satisfactory.

The provisions of the Salary Retention Act are not mandatory upon the Organization; however, salary retention principles set forth in the Act have been adopted by the Organization insofar as these principles are applicable to its salary administration policies and procedures.

The new salary retention policy aims to provide a financial cushion for employees who are reduced in grade through no fault of their own. In the Organization it is anticipated that this policy will generally be applicable to

1. The career reorientation of employees, when grade demotion incident to such reorientation is the appropriate step, and
2. The realignment of assignments as a result of changes in mission, function, or organization.

NEW EMERGENCY TRAVEL COVERAGE

5X1A Due to the large number of claims, the [redacted] are cancelling the contract with GEHA for the Emergency Travel Plan, effective 31 March 1959. Certificates in force will be continued to expiration date of those certificates. No renewals will be accepted beyond 31 March 1959.

Beginning 1 April 1959, [redacted] through the [redacted] has agreed to underwrite a new Emergency Travel Plan. Application forms for the new plan, which is identical with the present one except that it does not provide for family-rate coverage, will be available in the near future.

Employees whose Emergency Travel insurance policies were effective prior to 1 April 1959 under the old plan will be required to complete a new application and pay the new rate when their next premium is due.

The [redacted] plan will be a new policy and is not to be considered as a renewal of coverage under the former plan. We wish to caution purchasers of the new plan that the four-month waiting period and the warranty having to do with the diagnosis of cancer will apply as of the date of application of the new plan.

The limitation on persons over seventy will apply. Employees can apply under the new plan for named persons age sixty-nine, but coverage will not be accepted on persons who have already attained the age of seventy. Coverage will be renewed beyond age seventy for persons who are insured prior to their seventieth birthday. Regardless of the fact that a named person was under seventy when coverage was obtained under the old contract, the "under seventy" limitation will apply, when application is completed under the new plan.

The rates under the [redacted] plan are lower than the [redacted] plan, as shown below:

| Age of Named Person | Premium | Each Additional (Named Person) |
|------------------------|---------|-----------------------------------|
| 0-49 | \$32.50 | \$13.00 |
| 50-64 | 40.00 | 21.00 |
| 65-69 | 50.00 | 31.00 |

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